

CAAAC MEETING NOTES 6/28/2012
Metcalf Building, Room 111, 1:00 p.m.

Compiled by Oline Barta

ATTENDEES: Dexter Busby, *Montana Refining Co*; Gordon Criswell, *PPL*; Hal Robbins, Kevin Matthews, and Steve Fryberger, *Bison Engineering*; Dave Galt, *Montana Petroleum Association*; Jill Linn and Ron Lowney, *WBIP*; Ross Whelchel, *NorthWestern Energy*; Ken Morrison, *Morrison Consulting*; Mitchell Leu, *Plum Creek*, Joe Lierow, *ExxonMobil*; and Mark Lambrecht, *WETA*. Go-To-Meetings attendees were: Anna Henolson, *Trinity Consultants*, Abbie Krebsbach *MDU*, Clark Snyder and Russ Boschee, *Riverstone Health*; Randall Richert, *Phillips 66*; Terry Hart, *Colorado Energy*, Stacy Aguirre, *Continental Resources*; Kathy Ayala, *Region 8 EPA*; and Mike O'Conner, *XTO Energy*. DEQ attendees were: Eric Merchant, Dan Walsh, Norm Mullen, Vickie Walsh, Dave Klemp, Chuck Homer, Deb Wolfe, Dave Aguirre, Annette Williams, Judy Hanson, Stephen Coe, Whitney Walsh, Becky Frankforter, Lacy Evans, Joe Ford, and Oline Barta

I. WELCOME & INTRODUCTIONS

Eric Merchant welcomed the group. Eric asked attendees to introduce themselves and checked to see who was already on the Go-To-Meeting. He said he wanted to make sure the CAAAC group process was meeting the needs of the members and asked for feedback to improve the process. He said meetings had generally been held on a quarterly basis and suggested that some meetings may be held in places other than Helena, mentioning Billings as a possible future meeting place.

II. BUREAU AND FEDERAL RULEMAKING

Ozone and PM_{2.5}

Stephen Coe updated the group on the Ozone NAAQS and PM_{2.5} Implementation Rules. He said the public hearing for the Ozone rule was scheduled for July 12, 2012. He stated the Ozone rulemaking was in response to an EPA finding that Montana's PSD rules were inadequate because they did not address nitrogen oxide as a precursor to ozone. The PM_{2.5} rule, he said, is being done to correct an error in the previous rule.

IBR

Whitney Walsh said she was working on the Incorporation by Reference Rule (IBR). She gave a short background of the IBR, explaining that IBR was a tool used to incorporate federal statute and regulation into Montana's rules to insure that we maintain primacy. Whitney said that July 27, 2012 was the planned initiation date for the IBR rule. Randall Richert asked if the Heater Boiler MACT would be included in this year's IBR. Deb Wolfe responded that ARMB would get back to him with that information.

Fee Rule

Chuck Homer said that ARMB will not be doing a new fee rule. He said the financial situation was looking good for the next biennium, but the Department was coming to the end of the savings. Chuck said that ARMB is planning to reconvene the CAAAC fee subgroup and ask them to think broadly about long term changes to the fee structure. He said that though there would be no change in FY2013, the fee system will have to change. Chuck said the goal will be equitable fee distribution. Dave Klemp reiterated that no changes would be made in the November bills, but wanted to have the subgroup meet prior to the session in order to have something in place when the appropriations were allocated. Chuck asked that anyone interested in being in this subgroup contact him or Dave.

Greenhouse Gas NSPS

Chuck Homer stated that the Greenhouse Gas NSPS rule proposed in April and applies only to new sources with generation greater than 25 megawatts. He said there is some question about modifications and those provisions will require careful examination. Mark Lambrecht thought it was important to mention that EPA could still go after existing plants. Chuck agreed.

Mercury and Air Toxics Standards (MATS) Implementation

Chuck said that MATS was another power plant rule. He said the Standards concerned work practices and not numerical requirements. He said that states could give one-year extension for facilities to meet the requirements. Asked what would be required to get the extension, he said the request would have to be made 120 days before the final compliance date. It would entail descriptions of the controls to be installed and contain construction dates. Chuck said the facility would have to tell a reasonable story as to why they needed an extra year. Gordon Criswell clarified a point that the MATS rules also require a particulate standard besides just work practice requirements. Eric Merchant told the CAAAC that Policy and Planning staff working on MATS could further answer more detailed questions and that Debbie Skibicki is the lead and primary point of contact on MATS.

III. STANDARDS UPDATES

Revised Annual PM_{2.5} NAAQS Proposal

Stephen Coe informed the group that the PM_{2.5} NAAQS annual standard rule will be open for comment tomorrow. He said the proposal was for lowering the annual standard from 15 micrograms to 12-13 micrograms while retaining the 24-hour standard at 35 and the PM₁₀ standards. He said it was interesting that the rule included a new fine particulate standard to improve visibility primarily in urban areas. Stephen said they are looking at setting 24-hour visibility standard at 28-30 deciviews. He said ARMB was in the process of reviewing the 500 page document. He was happy to report that no place in Montana would have a problem with the new annual standard at this time. Libby has the highest PM_{2.5} design value. Eric Merchant said the proposal was under a deadline of December 14, 2012 by consent decree which is a short time period. He noted that the secondary standard for visibility was unusual for a NAAQS requirement. Dexter Busby asked whether the visibility requirement was included in the court order. Eric was not sure and asked Kathy Ayala of EPA to respond. Kathy offered to find out whether Regional Haze was included in the consent decree.

Final 2008 O₃ NAAQS Designations

Eric said that Montana is one of only two states that EPA has designated in attainment or unclassifiable for Ozone. He said that ARMB is monitoring more for ozone with two new monitors in eastern Montana.

IV. STATE AND FEDERAL IMPLEMENTATION PLAN ACTIONS

Regional Haze Federal Implementation Plan

Deb Wolfe told the group that EPA issued a Regional Haze FIP for Montana in April. She said the ARMB submitted comments. She said that the Department's comments were confined mainly to implementation. She said DEQ emphasized the unintended consequences that would result from imposing BART controls, and the confusing of a primary health standard with secondary visibility standards. She offered to make copies of DEQ's comments available to anyone would wanted them. Hal Robbins complimented her on a job well done. Mark Lambrecht said he thought that change was needed to the proposed requirement and asked Deb whether he thought that an extension of the timeline would be possible. She said that Regional Haze was also under a consent decree, and thought that EPA would attempt to have the time period extended. Kathy Ayala acknowledged this and said she would let ARMB know if

EPA does get an extension. Mark also commented that he has been studying the North Dakota SIP and thought that states could benefit from working together on this issue. Gordon Criswell asked Deb what ARMB's five-year plan was concerning the FIP, saying he hoped that DEQ would take the program back. Deb responded that the Department was engaged in a multi-state effort looking at Regional Haze requirements and one of the problems was that the five-year progress reports have to be submitted in the form of SIP revisions which is a difficult process and response time to them has been very slow. Eric promised to keep the CAAAC group advised concerning the Regional Haze FIP

SO₂ NAAQS Implementation Update

Another important issue, Eric Merchant said, was the designation and implementation of the SO₂ NAAQS. He said Montana DEQ had been involved in the development of a draft white paper addressing the strategy of using modeling for attainment in unclassifiable areas. He stated that the preamble to this NAAQS rule would require any source with SO₂ emissions over 100 tons to use modeling to demonstrate compliance instead of analyzing the programs already in place in the infrastructure SIP. He said states hoped the white paper will help provide flexibility as to when modeling vs. monitoring would be necessary. Eric asked for the CAAAC members' insight or feedback concerning the white paper.

Eric said that Montana designated 42 counties without major sources of SO₂ as attainment and 14 counties with large sources of SO₂ as unclassifiable or attainment based on all available information. He said that the Billings/Laurel area, with a violating monitor is singled out, but not classified differently because the Department believes the 2010 monitored violation was an anomaly and that requirements now coming into effect will reduce SO₂ emissions. DEQ is working directly with stakeholders and EPA to tell this story, Eric said ARMB is hopeful the argument that the necessary controls are already in place will lead to an unclassifiable designation. Dexter Busby asked about the time frame. Eric stated that if EPA intends to disagree with the state's designation, they are required to issue a 120-day letter giving notice of this. Asked about the time limit, Eric said that it was now (either June or July 2nd), but EPA can extend the time period the maximum of one year.

CO Monitoring in Great Falls, Billings, and Missoula

Eric related that the new CO Limited Maintenance Plan for Great Falls and Billings has been favorably received by EPA. Stephen Coe further elaborated that CO is no longer an issue of great concern due to improved technology. He said the Department has a verbal agreement with EPA that ARMB can stop monitoring and use a surrogate method of counting vehicles in these areas with the condition that if traffic goes up 25%, ARMB will re-evaluate ambient CO concentrations using monitors. Stephen said the Great Falls and Billings SIPs have been submitted and DEQ is working on the SIP plan for Missoula. Eric commented that ARMB is grateful for the dialogue with EPA that resulted in Montana being the first in the country to discontinue CO monitoring. Kathy Ayala noted that Adam Clark had been instrumental in the process. Eric added that discontinuing CO monitoring would save air monitoring resources. He said the traffic counting is done routinely by DOT.

V. PROGRAM UPDATES

Compliance Section

Dan Walsh told the group that earlier in the day he had a meeting with a CAAAC sub-group convened to examine compressor station compliance problems. He said they discussed maintenance and testing issues that might be affecting compliance with emission limits. Dan said this was the first meeting of the sub-group and that if anyone else wanted to be included in future meetings to let him know. The group will report their findings back to the CAAAC. The other topic Dan mentioned was an issue with source test protocols. He said that recently ARMB

has been sending comments to facilities and contractors requesting protocols that more closely followed the procedure manual. He said this would result in a more transparent process and help new employees to have a better starting point. Hal Robbins said he appreciated the comments. Steve Fryberger commented that the protocols easily became very large. Ed Santos asked whether the protocol procedure manual would be updated. Dan said thought that might be a worthwhile project to undertake. The current manual referenced by rule is from 1994. Discussion ensued as to possible paths this updating could take since it involved rulemaking. Mitchell Leu asked if ARMB was considering extending the notice time required by the Department between the protocol and the test. Dan replied it was not at this time.

Policy and Planning Section and Permitting Section

Eric Merchant mentioned some of the other projects his group works on besides, rulemaking and coordinating between state and federal rules. He said that meteorologist, Lacey Evans, was now doing fire updates and that a web-based application would be added to the open burning program. Eric announced that Vickie Walsh has moved from Permitting to Policy and Planning, saying he was very happy to welcome her as a senior planner. Vickie Walsh spoke about her position change, saying she would still be happy to discuss permitting, but looked forward to learning different issues associated with the planning program. Chuck Homer thought it would take a couple of months to fill her position adding that she would be sorely missed. He said that permitting questions should be directed to him until a new permitting section supervisor is hired.

Data Management Section and

Annette Williams said that she has been working with Eric's group to add the web-based application to the open burning online information.

Air Monitoring Section

Hoby Rash talked about the substantial change Air Monitoring was making by updating its communication system from analog to digital and the savings involved by being able to troubleshoot problems in West Yellowstone and Sidney from Helena. He said software was being updated as well and that Today's Air would be changing. Hoby asked for comments and feedback concerning the groups' Today's Air needs. Hoby also talked about the progress his section is making getting the two new monitoring stations in Malta and Lewistown up and running. These two stations are the result of a monitoring partnership between BLM and DEQ/ARMB. Dave Galt asked him to elaborate further on BLM's needs for air monitoring. Hoby replied that BLM has to include air quality in its evaluation of impacts through the NEPA process; it does broad-scope monitoring spanning several states and noticed a large gap of information in the north central Montana area. He said the information is also needed as background information.

Registration Section

Dave Aguirre told the group that his staff has been traveling to do compliance inspections and helping registered sources ensure compliance with the registration requirements. He said they have also done extensive outreach to the oil and gas industry over the last couple of years to bring facilities into the program and that they felt they had a good handle on that issue. He said the goal for this summer was to have a staff member visit a site of all companies with at least one registered facility. Dave updated the CAAAC on the NSPS rule for oil and gas, saying it had been signed, but was not published in the Federal Register yet.

Status of the Air Pollution Control Advisory Council (APCAC)

Eric Merchant said ARMB started a process to revise or eliminate the statutory requirement for the APCAC, the official governor-appointed air pollution advisory council, which was set up to

include representatives of diverse segments of the population to advise ARMB on air quality rule changes and air pollution issues. Eric said these appointees were generally untrained in the complicated, scientific issues involved, so the meetings held with them became more a matter of ARMB training them in what was happening in air pollution control. He said the Environmental Quality Council will carry a bill to eliminate APCAC this session. ARMB will argue that CAAAC fulfills the role of an Advisory Council. Eric thanked the CAAAC for their help in advising ARMB.

2013 Legislative Session and Budget Discussion

Chuck Homer said that historically, once the Bureau had its decision packages ready, they were brought to the CAAAC for discussion and both ARMB and CAAAC members went into the legislative session knowing “each other’s stories.” Chuck said we are still early in that process, but will be meeting with the CAAAC, discussing the general fund, fees and federal grants and requesting feedback on ARMB intentions. He told attendees that an ARMB budget presentation could be created considering information provided by CAAAC. Dave Klemp added that the ARMB would meet with CAAAC again before the session. He said he wanted the communication process to help CAAAC understand the reasoning behind the cost allocation decisions that come out of ARMB strategic planning efforts. He said it would be helpful to know CAAAC’s priorities and rulemaking needs.

VI. ADDITIONAL BUSINESS

Open Forum

Eric Merchant asked the group for suggestions to improve the forum and if there were other topics that anyone wanted to discuss. Dave Galt asked about the status of the SIP review of the Oil and Gas Registration rule. Deb Wolfe responded that she had heard that EPA had no substantial problems with the rule and ARMB was waiting to hear it had been accepted. Kathy Ayala said that the SIP submission was on Kevin Leone’s desk and would be handled in queue order determined by consent decree.

Kathy also offered information she had found out concerning whether visibility was included in the consent decree for regional haze. She said the consent decree covers the five-year review of the standard. It requires EPA to take some action, not any specific part of the standard, and EPA does not know yet what part of the standard (primary, secondary, visibility.) they will review and maybe change yet. She said visibility has always been a part of the 5-year NAAQS review.

Mark Lambrecht asked if anyone from DEQ would be attending the Energy Telecommunications Interim Committee to address the issue of “coal trains” that is on an upcoming agenda. Dave Klemp responded that it had not been decided yet, but he thought that the agenda had several interesting topics.

Next meeting

Eric asked any requests for agenda topics be sent to him. Concerning the next meeting time, Dave Klemp thought that the budget information, of interest to the group, would be available by mid-October to mid-November and it would be best not to schedule a meeting until then.